

BANK INDONESIA REGULATION
NUMBER: 12/6/PBI/2010
CONCERNING
REPURCHASE AGREEMENT TRANSACTION ON CHINESE YUAN AGAINST
RUPIAH SECURITIES OF A BANK TO BANK INDONESIA

BY THE GRACE OF ALMIGHTY GOD

THE GOVERNOR OF BANK INDONESIA,

- Considering :
- a. whereas one of Bank Indonesia's authorities is to manage the foreign exchange reserves constituting an integral part of rupiah exchange rate management in order to maintain and preserve the stability of rupiah value;
 - b. whereas the functions of the foreign exchange reserves include, among other things, as a foreign payment instrument which is required in economic activities in the real sectors;
 - c. whereas as one of the measures to support the economic activities, Bank Indonesia has signed a Bilateral Currency Swap Arrangement agreement with People's Bank of China;
 - d. whereas based on the considerations as referred to in letter a, letter b, and letter c, in order to implement the Bilateral Currency Swap Arrangement agreement, it is necessary to stipulate provisions concerning repurchase agreement transaction on Chinese Yuan against Rupiah Securities of a Bank to Bank Indonesia in a Bank Indonesia Regulation;

- In view of :
1. Act Number 7 Year 1992 concerning Banking (State Gazette of the Republic of Indonesia Year 1992 Number 31, Supplement to State Gazette of the Republic of Indonesia Number 3472) as most recently amended by Act Number 10 Year 1998 (State Gazette of the Republic of Indonesia Year 1998 Number 182, Supplement to State Gazette of the Republic of Indonesia Number 3790);
 2. Act Number 23 Year 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 3843) as amended most recently by Act Number 6 Year 2009 concerning Stipulation of Government Regulation in Lieu of Law Number 2 Year 2008 concerning the Second Amendment to Act Number 23 Year 1999 concerning Bank Indonesia into Act (State Gazette of the Republic of Indonesia Year 2009 Number 7, Supplement to State Gazette of the Republic of Indonesia Number 4962);
 3. Act Number 24 Year 1999 concerning Foreign Exchange Traffic and Exchange Rate System (State Gazette of the Republic of Indonesia Year 1999 Number 67, Supplement to State Gazette of the Republic of Indonesia Number 3844);

HAS DECIDED TO:

Stipulate : BANK INDONESIA REGULATION CONCERNING
REPURCHASE AGREEMENT TRANSACTION ON
CHINESE YUAN AGAINST RUPIAH SECURITIES OF A
BANK TO BANK INDONESIA

CHAPTER I

GENERAL PROVISIONS

Article 1

Referred to herein as:

1. Bank shall be a commercial bank as referred to in Act Number 7 Year 1992 concerning Banking as amended by Act Number 10 Year 1998 including branch offices of foreign banks in Indonesia and Sharia Commercial Banks as referred to in Act Number 21 Year 2008 concerning Sharia Banking.
2. Repurchase Agreement on Chinese Yuan against Rupiah Securities, hereinafter referred to as CNY/IDR Repo, shall be a conditional sale transaction on securities denominated in Rupiah by a Bank to Bank Indonesia in order to obtain CNY currency, with an obligation to repurchase such securities at the agreed price and in the agreed tenure by using CNY currency.
3. Securities shall be Bank Indonesia Certificates (SBI), Sovereign Debt Securities (SUN), Bank Indonesia Sharia Certificates (SBIS), and Sovereign Syariah Securities (SBSN) of a Bank recorded in a trading account (active account) in the facility of Bank Indonesia–Scripless Securities Settlement System (BI-SSSS).

4. Repo Rate shall be rate of interest charged to a Bank on CNY fund concerning CNY/IDR Repo.
5. Haircut shall be a deducting factor of the value of Securities in CNY/IDR Repo stipulated by Bank Indonesia in percentage.
6. Tenure shall be the period of CNY/IDR Repo.
7. CNY/IDR Repo Window Time shall be the time provided for a Bank in order to submit the application of CNY/IDR Repo to Bank Indonesia.
8. Correspondent Bank shall be the bank maintaining a demand deposit account, in order to pay and/or receive fund to or from a Bank, counterparty, and custodian.
9. Business Day shall be business day in Jakarta and Beijing.
10. Transaction Date shall be the agreed date of CNY/IDR Repo of a Bank to Bank Indonesia in CNY/IDR Repo Window Time.
11. Value Date shall be the date of settlement of a CNY/IDR Repo transaction calculated as the Transaction Date plus 2 (two) Business Days.
12. Maturity Date shall be the agreed date for repurchasing of Securities by a Bank.
13. Repurchase Value shall be the nominal value of Securities repurchased by a Bank calculated as the nominal value of CNY/IDR Repo plus the nominal value of Repo Rate.
14. Chinese Yuan (CNY) shall be the currency of China also referred to as Renminbi (RMB).

CHAPTER II

BASIC PRINCIPLES

Article 2

- (1) Bank Indonesia may conduct CNY swap transactions against Rupiah (CNY/IDR) with the People's Bank of China pursuant to Indonesia Rupiah/Chinese Yuan Bilateral Currency Swap Arrangement Agreement between Bank Indonesia and the People's Bank of China.
- (2) Bank Indonesia shall conduct CNY/IDR swap transactions based on CNY liquidity needs from Banks and/or the IDR liquidity needs from People's Bank of China.

CHAPTER III

SUBMISSION OF THE PLAN FOR THE NEED OF CNY BY A BANK TO BANK INDONESIA

Article 3

- (1) A Bank requiring CNY may submit CNY/IDR Repo to Bank Indonesia.
- (2) A Bank intending to submit CNY/IDR Repo shall first deliver the plan for the need of CNY to Bank Indonesia.
- (3) A Bank may submit CNY liquidity needs to Bank Indonesia if it meets the following requirements:
 - a. at least having Composite Rating 3 (*PK-3*) based on the assessment of Bank Indonesia;
 - b. having qualified Securities for repurchase agreement to Bank Indonesia with a minimum nominal value equivalent to the nominal value of CNY by taking into account the Haircut; and

- c. having underlying of international trade activities supported by sufficient documents;
- (4) The plan for the need of CNY can only be fulfilled for a customer having a Chinese company as its trading partner which by the time of transaction is included in The List of Pilot Enterprises.
- (5) The minimum nominal value of the plan for the need of CNY submitted to Bank Indonesia shall be CNY 1,000,000 (one million Chinese Yuan).
- (6) The Bank must use CNY from the CNY/IDR Repo transaction to fulfill the needs of international trade payment as stated in the underlying documents.

Article 4

- (1) The plan for the need of CNY as referred to in Article 3 paragraph (2) shall be submitted to Bank Indonesia through Reuters Monitoring Dealing System (RMDS) every Wednesday at 09.00 Western Indonesia Time until 11.00 Western Indonesia Time.
- (2) In the event that Wednesday is not a Business Day, the CNY liquidity needs as referred to in paragraph (1) may be submitted to Bank Indonesia on 1 (one) subsequent Business Day.
- (3) In submitting the plan for the need of CNY as referred to in Article 3 paragraph (2), the Bank shall indicate the following information:
 - a. Identity of the underlying documents;
 - b. Nominal value of the need of CNY;
 - c. Tenure of CNY/IDR Repo;

- d. Bank's account number at a Correspondent Bank and Bank's identity in BI-SSSS; and
 - e. The name of Chinese company serving as the trading partner included in The List of Pilot Enterprises.
- (4) The plan for the need of CNY as referred to in paragraph (1) may be revised by no later than 4 (four) Business Days following the submission day at 11.00 Western Indonesia Time.
- (5) In the event that the plan for the need of CNY as referred to in paragraph (1) is not fulfilled, Bank Indonesia shall convey such information to the relevant Bank by no later than 3 (three) Business Days following the submission day through RMDS and/or other means of communication.

CHAPTER IV

CNY/IDR REPO TRANSACTION BY A BANK TO BANK INDONESIA

Article 5

- (1) Bank Indonesia shall open CNY/IDR Repo Window Time within 5 (five) Business Days following the submission of the plan for the need of CNY as referred to in Article 4 paragraph (1).
- (2) CNY/IDR Repo Window Time as referred to in paragraph (1) shall be implemented every Wednesday at 13.00 – 14.00 Western Indonesia Time.
- (3) In the event that Wednesday is not a Business Day, the CNY/IDR Repo Window Time shall be implemented on the subsequent Business Day.
- (4) Bank Indonesia shall announce:

- a. Repo Rate and Tenor of CNY/IDR Repo transaction through Reuters or other means of communication if Reuters has a trouble;
 - b. Securities price and Haircut, which may be viewed in BI-SSSS;
 - c. CNY/IDR exchange rate, which may be viewed on BIXY Reuters page
- (5) Banks having submitted the plan for the need of CNY as referred to in Article 4 must submit CNY/IDR Repo transaction at the time of the opening of CNY/IDR Repo Window Time as referred to in paragraph (2).
- (6) Banks having submitted CNY/IDR Repo transaction as referred to in paragraph (5) shall be prohibited from cancelling the transaction and/or to change the information submitted to Bank Indonesia, including changing the nominal value of CNY/IDR Repo.

Article 6

- (1) The nominal value of CNY/IDR Repo submitted to Bank Indonesia shall be equal to the nominal value of the plan for the need of CNY submitted as referred to in Article 4 and in the maximum nominal value which is equal to the nominal value of the underlying international trade activities.
- (2) The submission of CNY/IDR Repo to Bank Indonesia as referred to in paragraph (1) shall be conducted bilaterally between Banks and Bank Indonesia through Reuters Monitoring Dealing System (RMDS).
- (3) Banks may only make 1 (one) submission during CNY/IDR Repo Window Time on the same day for each period (Tenure).

Article 7

The Securities which may be subject to repurchase agreement to Bank Indonesia shall at least have remaining tenure exceeding the Tenure with the following conditions:

- a. In relation to Bank Indonesia Certificates (SBI) and Bank Indonesia Sharia Certificates (SBIS), at least 8 (eight) business days in Jakarta following the Maturity Date.
- b. In relation to Sovereign Debt Securities (SUN) and Sovereign Syariah Securities (SBSN), at least 10 (ten) business days in Jakarta following the Maturity Date.

Article 8

- (1) Banks submitting CNY/IDR Repo as referred to in Article 3 paragraph (3) have to indicate the total nominal value of Securities on the repurchase agreement with details for each Security as follows:
 - a. identity of Securities;
 - b. nominal value of Securities; and
 - c. remaining tenure of Securities.
- (2) Banks submitting CNY/IDR Repo as referred to in Article 3 paragraph (3) must submit:
 - a. an application letter for pledge of Securities subject to repurchase agreement.
 - b. a Power of Attorney authorizing Bank Indonesia in order to be able to cease the pledge and transfer the Securities from the Bank's account

into Bank Indonesia's account, sell the Securities, make a redemption of SBI or Bank's SBIS, debit Bank's foreign exchange demand deposit account with Bank Indonesia, and/or debit Bank's Rupiah demand deposit account with Bank Indonesia, if during the period of CNY/IDR Repo contract the Bank is not able to meet its liability in transaction settlement.

- (3) The information as referred to in paragraph (1) shall be submitted during the CNY/IDR Repo Window Time and the documents as referred to in paragraph (2) shall be submitted by no later than 1 (one) subsequent business day in Jakarta at 12.00 Western Indonesia Time.
- (4) The pledge application letter as referred to in paragraph (2) sub-paragraph a and the Power of Attorney as referred to in paragraph (2) sub-paragraph b must be executed by a Bank's official having a specimen of signature administered at Bank Indonesia.
- (5) The underlying documents of international trade activities as referred to in Article 3 paragraph (3) must be administered by the Bank.

Article 9

Banks shall be responsible for the correctness of data of the submission of CNY/IDR Repo as referred to in Article 8.

Article 10

- (1) The effective tenure of CNY/IDR Repo shall commence on the Value date and end on the Maturity Date.

- (2) Bank Indonesia shall transfer CNY fund to the Bank's account in a Correspondent Bank designated by the Bank on the Value date in accordance with CNY/IDR Repo contract.
- (3) Banks must make a pledge of the Securities in 1 (one) Business Day prior to Value date.
- (4) Banks which do not make a pledge of Securities as referred to in paragraph (3) and have received CNY funds on the Value date must return the CNY funds to Bank Indonesia's CNY account in PBC by no later than 3 (three) Business Days following the Value date.
- (5) In the event that Banks do not return the funds to Bank Indonesia's CNY account in PBC within the tenure as referred to in paragraph (4), Bank Indonesia shall debit from the Bank's foreign exchange demand deposit account and/or rupiah demand deposit account with Bank Indonesia an amount equal to the transaction value and other payment liabilities.

Article 11

Securities coupons on repurchase agreement in CNY/IDR Repo transaction shall become the property of the Bank conducting CNY/IDR Repo.

Article 12

- (1) Bank Indonesia shall determine the Tenure, Repo Rate, and Haircut.
- (2) Tenure as referred to in paragraph (1) shall be 1 (one) month and/or 3 (three) months.

- (3) Repo Rate as referred to in paragraph (1) shall be determined on CNY/IDR Repo Transaction Date.

CHAPTER V

SETTLEMENT OF A CNY/IDR REPO TRANSACTION OF A BANK TO BANK INDONESIA

Article 13

- (1) The Bank must settle CNY/IDR Repo transaction by repurchasing the Securities at a value equal to the Repurchase Value on the Maturity Date.
- (2) In relation to the Securities repurchase as referred to in paragraph (1), the Bank must transfer CNY funds in the equal value to the Repurchase Value to Bank Indonesia' account in a Correspondent Bank designated by Bank Indonesia.
- (3) The Bank must provide a confirmation concerning CNY funds transfer to Bank Indonesia's account as referred to in paragraph (2) by no later than 2 (two) business days prior to the Maturity Date.
- (4) Bank Indonesia shall release a pledge of Securities to the relevant Bank by no later than 1 (one) Jakarta business day following the Maturity Date.

Article 14

- (1) In the event that the Bank is unable to return CNY funds on the Maturity Date in a value equal to the Repurchase Value as referred to in Article 13 paragraph (2), Bank Indonesia shall sell or make an early redemption of the

Bank's Securities based on the power of attorney submitted by the Bank to Bank Indonesia as referred to in Article 8 paragraph (2).

- (2) The sale or early redemption of Securities of the Bank by Bank Indonesia as referred to in paragraph (1) shall be performed in 3 (three) Jakarta business days following the Maturity Date in accordance with the applicable market price.
- (3) The Securities shall remain in possession of Bank Indonesia until the sale or early redemption of Securities takes place.
- (4) In the event that the proceeds of sale or early redemption of Securities of the Bank by the time of sale or early redemption as referred to in paragraph (1) is not sufficient for the Repurchase Value and other financial liabilities, Bank Indonesia shall impose deficiency payment to the relevant Bank's foreign exchange demand deposit account with Bank Indonesia.
- (5) In the event that the value charged to the Bank's foreign exchange demand deposit account in Bank Indonesia as referred to in paragraph (4) is not sufficient, Bank Indonesia shall impose such deficiency payment to the relevant Bank's rupiah account in Bank Indonesia.
- (6) In the event that the proceeds of sale or early redemption of Securities as referred to in paragraph (1) exceed the agreed payment liabilities in CNY/IDR Repo and other Bank's liabilities, such excess shall be returned to the relevant Bank.

CHAPTER VI

EARLY TERMINATION

Article 15

- (1) Bank Indonesia may at any time make an early termination of CNY/IDR Repo agreement, if the relevant Bank is experiencing a decline in its Composite Rating below the requirement as referred to in Article 3 paragraph (3) and/or other violations to this provision are found.
- (2) In the event of early termination as referred to in paragraph (1), the Bank must settle CNY/IDR Repo transaction by repurchasing the Securities with a reference to the provision as referred to in Article 13.
- (3) In the event that the Bank is not able to repurchase the Securities as referred to in paragraph (2), Bank Indonesia may sale the Bank's Securities with a reference to the provision as referred to in Article 14 paragraphs (1), (2), and (3).
- (4) In the event that the proceeds of the sale of Securities of a Bank is not sufficient for the Repurchase Value, the settlement of CNY/IDR Repo shall comply with the provision as referred to in Article 14 paragraphs (4), (5), and (6).

CHAPTER VII

ELIMINATION OF WINDOW TIME

Article 16

Bank Indonesia may at any time eliminate CNY/IDR Repo Window Time by making an announcement through Reuters or other means of communication by no later than 13.00 Western Indonesia Time.

CHAPTER VIII

SANCTIONS

Article 17

- (1) Banks violating the provision as referred to in Article 10 paragraph (3) and has not received CNY fund shall be imposed a sanction in the form of a written reprimand.
- (2) Banks violating the provision as referred to in Article paragraph (3) and has received CNY fund shall be imposed a sanctions in the form of:
 - a. a written reprimand; and
 - b. a financial penalty in the amount of Repo Rate + 200 bps multiply by transaction nominal value multiply by the number of days counted from the Value date up to the date on which CNY fund is returned by the Bank to CNY account of Bank Indonesia in PBC.
- (3) The financial penalty as referred to in paragraph (2) sub-paragraph b shall be denominated in CNY.
- (4) Banks committing violations of Article 3 paragraph (6), Article 5 paragraph (6), Article 8 paragraph (2) and paragraph (5), and Article 13 paragraph (3) shall be subject to an administrative sanction in the form of written reprimand.

Article 18

Banks which are unable to pay CNY funds on the Maturity Date or the early termination value date in the same amount as the Repurchase Value as referred to in

Article 13 paragraph (1) and paragraph (2) shall be imposed a financial penalty in the amount of Repo Rate + 200 pbs multiply by the number of days with the Repurchase Nominal Value counted from the Maturity Date up to the settlement date.

CHAPTER IX CLOSING PROVISIONS

Article 19

Operational rules hereof shall be further regulated in Bank Indonesia Circular Letter.

Article 20

This Bank Indonesia Regulation shall be **effective on the date of it enacted**.

For public cognizance, it is ordered that this Bank Indonesia Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

On April 7, 2010

Acting GOVERNOR OF BANK INDONESIA,

[Signature]

DARMIN NASUTION

Promulgated in Jakarta

On April 7, 2010

MINISTER OF LAW AND HUMAN RIGHTS OF THE
REPUBLIC INDONESIA,

[Signature]

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2010 NUMBER
61

DPD

ELUCIDATION
OF
BANK INDONESIA REGULATION
NUMBER: 12/6/PBI/2010
CONCERNING REPURCHASE AGREEMENT TRANSACTION ON CHINESE
YUAN AGAINST RUPIAH SECURITIES OF A BANK TO BANK INDONESIA

I. GENERAL

Bank Indonesia manages the state foreign exchange reserves, among other things, in the form of gold, banknotes, and other receivables in foreign exchange to the foreign parties which can be used as foreign payment instruments. One of the measures to maintain the sustainable availability of foreign payment instruments and to reduce the dependency on a particular currency, Bank Indonesia has entered into Bilateral Currency Swap Arrangement agreement with the People's Bank of China in order to facilitate the purchase of Chinese Yuan currency. Such agreement can be utilized by banks serving as intermediaries in international payments for the purpose of supporting the economic activities, specifically international trade, through CNY/IDR Repo transaction with Bank Indonesia. Such policy measure is expected to be able to assist the foreign exchange liquidity management as well as to provide a positive contribution to the economic activities, specifically international trade, and to provide a positive boost to rupiah exchange rate fluctuation.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

Securities shall mean the Securities fully owned by a Bank and not the Securities as the result from sell & buy back transactions.

Securities subject to repurchase agreement to Bank Indonesia shall be calculated by rounding them up to the nearest millions Rupiah.

Sub-paragraph c

Sufficient underlying documents of international trade activities shall comprise, among other things, Goods Import Notification (PIB) issued by an authorized agency, Letter of Credit (L/C), invoice, or sale purchase contract.

Paragraph (4)

The List of Pilot Enterprises shall be the list of companies in China which have a license from Chinese Authority to perform cross border Renminbi trade settlement. Such list of Chinese

companies, including the amendment thereto, shall be informed through Bank Indonesia Circular Letter.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The identity of underlying documents of international trade activities shall comprise information on the reference numbers of the documents, among other things, L/C or non-L/C, Goods Import Notification number, invoice number, and/or sale purchase contract number of the underlying documents of international trade activities.

Paragraph (4)

The revision of the nominal value of the plan for the need of CNY can only be made for the smaller nominal value than the nominal value of the previous plan.

Example:

A plan for the need of CNY is delivered to Bank Indonesia on Wednesday, March 10, 2010, such plan may be revised by no later than Tuesday, March 16, 2010 at 11.00 Western Indonesia Time. The nominal value as the result of the revision submitted on March 16, 2010 must be smaller than of the plan for the need submitted on March 10, 2010.

Paragraph (5)

Self-explanatory.

Article 5

Paragraph (1)

Example:

A plan for the need of CNY is submitted to Bank Indonesia on Wednesday, March 10, 2010, CNY/IDR Repo shall be conducted within the CNY/IDR Repo Window Time on Wednesday, March 17, 2010.

Paragraph (2)

On such window, Bank Indonesia shall also make a confirmation on:

- a. The nominal value of CNY received by the Bank selling the Securities;
- b. The identity of Securities received by Bank Indonesia;
- c. The Information related to the Standard Settlement Instruction; and other related information.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Other means of communication are, among other things,
Commercial Bank Daily Report (LHBU) and Bloomberg.

Announcement about the Securities price and Haircut rate,
CNY/IDR Exchange Rate shall be further regulated in a Bank
Indonesia Circular Letter.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 6

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Banks may submit several Securities to be subject to
repurchase agreement to Bank Indonesia in one submission in
1 (one) day for each period (Tenure).

Article 7

Example 1:

On August 3, 2010, Bank Indonesia announced CNY/IDR Repo with 1 month-Tenure on the Value date August 5, 2010 and the Maturity Date September 3, 2010.

Bank A, Bank B, and Bank C shall submitted CNY/IDR Repo to Bank Indonesia with the following remaining tenure of Securities:

- a. Bank A had Bank Indonesia Certificates (SBI) with the remaining tenure of 15 (fifteen) days and the maturity date was on September 3, 2010.
- b. Bank B had Bank Indonesia Certificates (SBI) with the remaining tenure of 30 (thirty) days and the maturity date was on September 15, 2010;
- c. Bank C had Bank Indonesia Certificates (SBI) with the remaining tenure of 32 (thirty two) days and the maturity date was on September 6, 2010.

Bank Indonesia Certificates (SBI) which may be subject to repurchase agreement to Bank Indonesia shall be Bank Indonesia Certificates (SBI) of Bank B.

Example 2:

On October 5, 2010, Bank Indonesia announced CNY/IDR Repo with 1 month-Tenure which the Value Date on October 7, 2010, and the Maturity Date on November 5, 2010.

Bank A, Bank B, and Bank C submitted CNY/IDR Repo to Bank Indonesia with the following remaining tenure of Securities:

- a. Bank A had Government Bonds with the remaining tenure of 15 (fifteen) days and the maturity date was on November 5, 2010.
- b. Bank B had Government Bonds with the remaining tenure of 30 (thirty) days and the maturity date was on November 19, 2010.
- c. Bank C had Government Bonds with the remaining tenure of 32 (thirty two) days and the maturity date on November 8, 2010.

Government Bonds which may be subject to repurchase agreement to Bank Indonesia shall be the Government Bonds of Bank B.

Article 8

Paragraph (1)

Sub-paragraph a

The identity of Securities shall comprise information on:

- 1. the identity in accordance with Committee on Uniform Securities Identification Procedures (CUSIP) and/or International Securities Identification Number (ISIN);
- 2. coupon value; and
- 3. maturity date.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The confirmation may be delivered in the form of swift message to Bank Indonesia by also indicating information on Maturity Date, Repurchase Value, the identity of Securities, and Standard Settlement Instruction in the agreed CNY/IDR Repo.

Paragraph (4)

Self-explanatory.

Article 14

Paragraph (1)

Early redemption shall be the settlement of Bank Indonesia Certificates (SBI) before their maturity date.

Paragraph (2)

The applicable market price shall be the price of sale transaction on Bank's Securities by Bank Indonesia.

Example:

On November 5, 2010, Bank was not able to pay CNY funds in the amount of CNY 1,000,000 (one million Chinese Yuan). Bank Indonesia sold the Bank's Securities on November 10, 2010 with the price of transaction sale equal to Rp1,300,000,000 (one billion and three hundred million rupiah) with offer exchange rate of 1 CNY = Rp1,300.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

The imposition of CNY fund deficiency payment to the Bank's rupiah demand deposit account shall be made by using Bank Indonesia offer exchange rate on the relevant day.

Paragraph (6)

Self-explanatory.

Article 15

Paragraph (1)

Early termination shall be the process of moving forward the Maturity Date of CNY/IDR Repo by Bank Indonesia. Notification of early termination will be made bilaterally to the relevant Bank by Bank Indonesia.

Other violations of this provision, among other things, in the event that there is an inconsistency between underlying documents or a counterparty trade of Bank's customer out of "The List of Pilot Enterprises".

Paragraph (2)

Repurchase Value in the event of early termination shall be calculated based on the effective tenure of CNY/IDR Repo, namely as from Repo Value Date, up to the early termination.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 16

Other means of communication are, among other things, Commercial Bank Daily Report (LHBU) and Bloomberg.

Article 17

Self-explanatory.

Article 18

The calculation of the number of days for the imposition of sanctions shall refer to calendar day.

Article 19

Self-explanatory.

Article 20

Self-explanatory.